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THOMAS F. MCFARLAND

July 27, 2005

By electronic mail

Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit, Suite 713
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Docket No. AB-878, *City of Peoria, Illinois and Village of Peoria Heights, Illinois -- Adverse Discontinuance -- Pioneer Industrial Railway Co.*

Dear Mr. Williams:

This refers to the letter to you from Pioneer Industrial Railway Co. in the above proceeding, dated July 25, 2005.

Applicants agree with the response filed by Union Pacific Railroad Company (UP) on July 26, 2005.

In accordance with UP's response, shippers on the Kellar Branch will have service from the west in the event of approval of the pending adverse application for discontinuance. Specifically, traffic for those shippers will be originated or terminated by Central Illinois Railroad Company (CIRY) and will be interchanged with UP at the nearby junction between CIRY and UP.

Applicants are informed that Mr. Don Gibson is no longer an owner, director or officer of CIRY; that CIRY is providing adequate service to shippers at its other locations; and that CIRY is in sound financial condition. Consequently, the Board need not be concerned about the adequacy of service to shippers in the event of adverse discontinuance of CIRY's authority to operate over the Kellar Branch.

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The Board should issue a decision on the adverse discontinuance application without further delay.

Very truly yours,

Thomas F. McFarland/ke
Thomas F. McFarland
Attorney for the Applicants

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cc: Daniel A. LaKemper, Esq., *by e-mail*
Mr. John W. Gohmann, *by e-mail*
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